

Committee on Banking and Insurance

CS/CS/SB 1606 — Insurance Administration

by Infrastructure and Security Committee; Banking and Insurance Committee; and Senator Perry

The bill:

- Requires that an electronic signature used to satisfy the signature requirement for a salvage certificate of title must be executed using a system providing a Level 2 authentication level;
- Allows workers' compensation benefits to be transmitted to the employee's account with a licensed money transmitter;
- Requires authorized insurers to file with the Department of Financial Services (DFS) the name and e-mail address of the person who will receive civil remedy notices and requires the DFS to provide civil remedy notices to the designated e-mail address;
- Requires the applicable statute of limitations for statutory bad faith actions to be tolled for 60 days after the date appraisal is invoked in a residential property insurance claim;
- Changes the amount of time the applicable statute of limitations for statutory bad faith actions is tolled pursuant to the civil remedy notice from 65 days after mailing of the notice to 60 days after the insurer receives the notice from the DFS;
- Prohibits the DFS and the Office of Insurance Regulation (OIR) from disseminating aggregated information if it contains trade secret information that can be individually extrapolated;
- Provides that when the OIR periods for reviewing specified rates and forms end on a weekend or holiday, the period is extended until the conclusion of the next business day;
- Clarifies that the condominium unit owner's property loss assessment coverage in effect one day before the date of an occurrence that resulted in a loss is the applicable coverage for the loss; and
- Reduces from 60 days to 30 days the period during which an insurer may not cancel a new policy or binder of private passenger motor vehicle insurance except for the disallowance of the initial premium payment.

The bill creates a new chapter to regulate the transaction of travel insurance based on the National Association of Insurance Commissioners (NAIC) Model Act. The chapter:

- Provides definitions;
- Requires that travel insurers pay the premium tax under s. 624.509, F.S.;
- Provides standards for offering travel protection plans providing travel insurance, travel assistance waivers, and cancellation fee waivers;
- Provides sales practice standards requiring that all documents provided to the consumer are consistent with the travel insurance policy, requiring specified disclosures, allowing the purchaser a right of cancellation, and prohibiting violations of the chapter or the Unfair Insurance Trade Practices Act;
- Requires that a travel administrator must be a licensed and appointed property and casualty insurance producer in this state, a licensed insurance agency appointed as a managing general agency in this state, or hold a valid third-party administrator license in this state;

- Classifies travel insurance generally under the inland marine line of insurance, though travel insurance providing coverage for sickness, accident, disability, or death may be classified and filed as an accident and health line of insurance or inland marine insurance; and
- Provides rulemaking to administer the chapter.

The bill provides that a person may not act as a limited licensed travel insurance producer unless properly licensed, and may not act as a travel retailer unless properly registered. Travel insurance producers are licensed to sell, solicit, or negotiate travel insurance through a licensed insurer. Travel retailers are business entities that make, arrange, or offer planned travel, and may offer and disseminate travel insurance.

If approved by the Governor, these provisions take effect July 1, 2020.

Vote: Senate 40-0; House 116-0